

# SENATE BILL REPORT

## SB 6845

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As of February 03, 2006

**Title:** An act relating to the population threshold for cities and counties eligible to use the design-build procedure.

**Brief Description:** Changing the population threshold for cities and counties eligible to use the design-build procedure.

**Sponsors:** Senators Fraser, Kastama and Pridemore.

**Brief History:**

**Committee Activity:** Government Operations & Elections: 1/31/06.

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Staff:** Diane Smith (786-7410)

**Background:** The design-build alternative public works contracting procedure is a multi-step competitive process to award a contract for a maximum allowable construction cost to a single firm that agrees to both design and build a public facility that meets specific criteria. The contract is awarded following a public request for proposals for design-build services.

For both design-build and general contractor/construction manager methods of alternative public contracting, there is an extensive evaluation of the proposals, including assigning relative weight to factors such as the ability of the professional personnel, past performance on similar projects, and ability to meet time and budget requirements. The contract is awarded to the firm that submits the highest scored best and final proposal.

Design-build can only be used for projects that are valued over ten million dollars and meet additional criteria. The additional criteria are that the construction activities or technologies used are highly specialized and a design-build approach is critical in developing the construction methodology or implementing the proposed technology; the project is repetitive in nature and is an incidental part of the installation; or regular interaction with and feedback from the facilities' users and operators during design is not critical to an effective facility design.

The general contractor/construction manager form of alternative public contracting is also used for projects over \$10 million. The public owner negotiates a maximum allowable construction cost that is guaranteed by the contractor. The contractor provides services during the design phase that may include life-cycle cost design considerations, value engineering, scheduling, cost estimating, constructability, among other services. The contractor also serves as the construction manager and general contractor during the construction phase.

Among others, cities with populations greater than 70,000 and counties with populations greater than 450,000 are allowed to use the design-build and general contractor/construction manager alternative methods of public contracting.

In the traditional design-bid-build process, the public entity retains an architectural firm to design the facility, puts the construction phase of the project out for competitive bid, and awards the contract to the lowest responsible bidder.

**Summary of Substitute Bill:** Cities with populations greater than 40,000 and counties with populations greater than 200,000 are allowed to use the design-build and general contractor/construction manager alternative methods of public contracting.

**Substitute Bill Compared to Original Bill:** The substitute bill includes authority to use the general contractor/construction manager form of alternative public contracting.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Both Clark and Kitsap Counties would be eligible and are in favor of receiving this authority. Clark County would use the authority sparingly but it would help with project delivery. The City of Olympia has two projects that would benefit from using both GC/CM and design/build.

**Testimony Against:** This bill is not timely. The Joint Legislative Audit and Review Committee (JLARC) report on the GC/CM contracting method was inconclusive about the economy, efficiency and reduction of claims that this method actually achieves. JLARC deferred to the newly created Capital Projects Review Board for an analysis of these points. The issue is expansion of this authority.

**Who Testified:** PRO: Sharon Wylie, Kitsap and Clark Counties; Kevin Grey, Clark County; Bob Sterbank, City of Olympia.

CON: Duke Schaub, Associated General Contractors of Washington.